



SUSAN MONTEE, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Lincoln County, Missouri

The Office of the State Auditor, in cooperation with Lincoln County, has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2007, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by Daniel Jones & Associates, P.C., Certified Public Accountants, is attached.

A handwritten signature in black ink that reads "Susan Montee".

Susan Montee, CPA
State Auditor

January 2009
Report No. 2009-06

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2007 & 2006

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR’S REPORT	1-2
BASIC FINANCIAL STATEMENTS:	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Assets – Cash Basis	3
Statement of Activities – Cash Basis	4-5
<i>Fund Financial Statements:</i>	
Balance Sheet – Cash Basis – Governmental Funds	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Cash Basis – All Governmental Funds	7
Reconciliation of the County Funds Balance Sheet With the Statement of Net Assets – Cash Basis	8-9
Reconciliation of the County Funds Statement of Revenues, Expenditures, and Changes in Fund Balances With Government-Wide Statement of Activities – Cash Basis	10-11
Statement of Fiduciary Net Assets – Cash Basis Agency Funds	12
Notes to the Financial Statements	13-25
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Budget Basis and Actual Cash Basis General Fund – Unaudited	26
Departmental Schedule of Expenditures Non-GAAP Budget Basis and Actual Cash Basis General Fund – Unaudited	27-28
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Budget Basis and Actual Cash Basis Special Revenue – Unaudited Special Road and Bridge Fund	29

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)

TABLE OF CONTENTS (CONTINUED)

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION: (CONCLUDED)	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Budget Basis and Actual Cash Basis Special Revenue – Unaudited Law Enforcement Trust Fund	30
Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-GAAP Budget Basis and Actual Cash Basis Special Revenue – Unaudited Jail Improvement Fund	31
Notes to Required Supplementary Information.....	32

SUPPLEMENTARY INFORMATION:

**Combining Fund Financial Statements And Schedule
Non-Major Governmental Funds**

Combining Balance Sheet – Cash Basis – Non-Major Governmental Funds (Special Revenue Funds) – 2007	33-34
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Cash Basis – Non-Major Governmental Funds (Special Revenue Funds) – 2007	35-36
Combining Balance Sheet – Cash Basis – Non-Major Governmental Funds (Special Revenue Funds) – 2006	37-38
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Cash Basis – Non-Major Governmental Funds (Special Revenue Funds) – 2006	39-40

Fiduciary Funds

Combining Statement of Fiduciary Net Assets – Cash Basis – Agency Funds – 2007	41
Combining Statement of Fiduciary Net Assets – Cash Basis – Agency Funds – 2006	42

STATE COMPLIANCE SECTION:

Schedule of Findings.....	43
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THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)

TABLE OF CONTENTS (CONCLUDED)

FEDERAL COMPLIANCE SECTION:

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	44-45
Schedule of Findings.....	46-47



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Lincoln, Missouri

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The County of Lincoln, Missouri, as of and for the years ended December 31, 2007 and 2006, which collectively comprise the basic financial statements of the Primary Government as listed in the table of contents. These financial statements are the responsibility of Primary Government's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to the financial audit contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include only the primary government of Primary Government, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government. As a result, the Primary Government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of The Primary Government, as of December 31, 2007 and 2006, the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, the Health Department of Lincoln County, and the Lincoln County Agency for Developmental Disabilities, have issued separate reporting entity financial statements. For information on these component units, please contact the Lincoln County Health Department, or the Agency for Developmental Disabilities.

As described in Note 1, the basic financial statements of Primary Government, were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position – cash basis of the governmental activities, each major fund, and the aggregate remaining fund information for the Primary Government, as of December 31, 2007 and 2006 for the years then ended in conformity with the basis of accounting described in Note 1.

The Primary Government has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America, as applicable to the cash basis of accounting, has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 13, 2008 on our consideration for the Primary Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Schedules of Revenues, Expenditures and Change in Fund Balance – Cash Basis – Budget and Actual and related notes on pages 26 through 32 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America, as applicable to the cash basis of accounting. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Primary Government's basic financial statements. The combining and individual non-major funds financial statements on pages 33 through 40 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

August 13, 2008

BASIC FINANCIAL STATEMENTS

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
STATEMENT OF NET ASSETS - CASH BASIS
FOR THE YEARS ENDED

ASSETS	December 31, 2007 Total Governmental Activities	December 31, 2006 Total Governmental Activities
Cash and cash equivalents	6,082,094.26	7,419,245.25
Investments	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>6,082,094.26</u></u>	<u><u>7,419,245.25</u></u>
 NET ASSETS:		
Restricted for a Specific Purpose	2,739,945.37	3,294,586.68
Unrestricted	<u>3,342,148.89</u>	<u>4,124,658.57</u>
Total Net Assets	<u><u>6,082,094.26</u></u>	<u><u>7,419,245.25</u></u>
 TOTAL FUND BALANCE	<u><u>6,082,094.26</u></u>	<u><u>7,419,245.25</u></u>

See accompanying notes to the financial statements

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

		Program Revenues			Net (Expense)
			Operating	Capital	Revenue and
			Grants and	Grants and	Changes in
			Contributions	Contributions	Net Assets
	Expenses	Charges for			Total
		Services			Governmental
					Activities
FUNCTIONS/PROGRAMS					
GOVERNMENTAL ACTIVITIES:					
General county government	2,156,864.66	1,541,372.00	1,153,605.30	258,486.19	796,598.83
Road & bridge	3,224,739.45	-	-	-	(3,224,739.45)
Financial administration	358,230.07	-	-	-	(358,230.07)
Other offices & grants	318,049.90	-	-	-	(318,049.90)
Health and welfare	-	-	-	-	-
Public Safety	1,053,840.49	-	-	-	(1,053,840.49)
Property valuation and recording	211,985.22	-	-	-	(211,985.22)
Administration of justice and law enforcement	6,437,729.47	2,612,224.55	-	54,092.21	(3,771,412.71)
Building Expenses:					
Building Expenses and Repairs	259,195.16	-	-	-	(259,195.16)
Special Services	-	-	-	-	-
Surveyor	-	-	-	-	-
Maintenance of roads	-	-	-	-	-
Park Maintenance	-	-	-	-	-
Other	-	-	-	-	-
Debt Service:	-	-	-	-	-
Principal	-	-	-	-	-
Interest and Fiscal charges	-	-	-	-	-
Capital Outlay:	-	-	-	-	-
Construction of roads and bridges	1,903,502.56	-	-	-	(1,903,502.56)
Property, equipment and buildings	2,477,242.54	-	-	-	(2,477,242.54)
TOTAL GOVERNMENTAL ACTIVITIES	18,401,379.52	4,153,596.55	1,153,605.30	312,578.40	(12,781,599.27)

General Revenues:

Taxes

Property taxes, levied	2,270,430.06
Sales tax	6,630,360.57
Other taxes	2,030,685.05
Investment income	323,291.64
Sale of Bonds	-
Miscellaneous	189,680.96
TOTAL GENERAL REVENUES	<u>11,444,448.28</u>
CHANGE IN NET ASSETS	<u>(1,337,150.99)</u>
NET ASSETS, BEGINNING OF YEAR	<u>7,419,245.25</u>
NET ASSETS, END OF YEAR	<u>6,082,094.26</u>

See accompanying notes to the financial statements

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
STATEMENT OF ACTIVITIES - CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006

		Program Revenues		Net (Expense)
				Revenue and
				Changes in
				Net Assets
				Total
				Governmental
				Activities
FUNCTIONS/PROGRAMS	Expenses	Charges for	Operating	
		Services	Grants and	
			Contributions	
			Capital	
			Grants and	
			Contributions	
GOVERNMENTAL ACTIVITIES:				
General county government	2,197,688.06	3,315,318.34	566,750.79	1,058,766.14
Road & bridge	2,574,105.92	-	85,810.41	-
Financial administration	319,527.20	-	-	-
Other offices & grants	475,542.96	-	-	-
Health and welfare	6,215.25	-	-	-
Public Safety	1,121,281.38	-	-	-
Property valuation and recording	220,104.53	-	-	-
Administration of justice and law enforcement	6,017,631.86	259,857.76	-	220,556.65
Building Expenses:				
Building Expenses and Repairs	263,072.03	-	-	-
Special Services	-	-	-	-
Surveyor	-	-	-	-
Maintenance of roads	-	-	-	-
Park Maintenance	-	-	-	-
Other	-	-	-	-
Debt Service:	-	-	-	-
Principal	-	-	-	-
Interest and Fiscal charges	-	-	-	-
Capital Outlay:	-	-	-	-
Construction of roads and bridges	1,721,308.88	-	-	-
Property, equipment and buildings	2,177,294.39	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	17,093,772.46	3,575,176.10	652,561.20	1,279,322.79

General Revenues:

Taxes	
Property taxes, levied	2,060,804.93
Sales tax	6,592,971.58
Other taxes	1,906,378.20
Investment income	316,603.11
Miscellaneous	350,447.77
TOTAL GENERAL REVENUES	11,227,205.59
CHANGE IN NET ASSETS	(359,506.78)
NET ASSETS, BEGINNING OF YEAR	7,778,752.03
NET ASSETS, END OF YEAR	7,419,245.25

See accompanying notes to the financial statements

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
BALANCE SHEET - CASH BASIS
ALL GOVERNMENTAL FUNDS

	DECEMBER 31, 2007						DECEMBER 31, 2006					
	General	Special Road and Bridge Fund	Law Enforcement Trust Fund	Jail Improvements Funds	Nonmajor Governmental Funds	Total Governmental Funds	General	Special Road and Bridge Fund	Law Enforcement Trust Fund	Jail Improvements Funds	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS												
Cash and Cash Equivalents	3,342,148.89	(179,118.83)	74,332.95	2,191,798.00	652,933.25	6,082,094.26	4,124,658.57	210,840.02	20,454.67	2,409,043.27	654,248.72	7,419,245.25
Investments	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>3,342,148.89</u>	<u>(179,118.83)</u>	<u>74,332.95</u>	<u>2,191,798.00</u>	<u>652,933.25</u>	<u>6,082,094.26</u>	<u>4,124,658.57</u>	<u>210,840.02</u>	<u>20,454.67</u>	<u>2,409,043.27</u>	<u>654,248.72</u>	<u>7,419,245.25</u>
FUND BALANCES												
FUND BALANCES:												
Unreserved:												
General Fund	3,342,148.89	-	-	-	-	3,342,148.89	4,124,658.57	-	-	-	-	4,124,658.57
Special revenue funds	-	(179,118.83)	74,332.95	2,191,798.00	652,933.25	2,739,945.37	-	210,840.02	20,454.67	2,409,043.27	654,248.72	3,294,586.68
Total Fund Balances	<u>3,342,148.89</u>	<u>(179,118.83)</u>	<u>74,332.95</u>	<u>2,191,798.00</u>	<u>652,933.25</u>	<u>6,082,094.26</u>	<u>4,124,658.57</u>	<u>210,840.02</u>	<u>20,454.67</u>	<u>2,409,043.27</u>	<u>654,248.72</u>	<u>7,419,245.25</u>
TOTAL												
FUND BALANCES	<u>3,342,148.89</u>	<u>(179,118.83)</u>	<u>74,332.95</u>	<u>2,191,798.00</u>	<u>652,933.25</u>	<u>6,082,094.26</u>	<u>4,124,658.57</u>	<u>210,840.02</u>	<u>20,454.67</u>	<u>2,409,043.27</u>	<u>654,248.72</u>	<u>7,419,245.25</u>

See accompanying notes to the financial statements

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CASH BASIS
ALL GOVERNMENTAL FUNDS
FOR THE YEARS ENDED

	DECEMBER 31, 2007						DECEMBER 31, 2006					
	General	Special Road and Bridge Fund	Law Enforcement Trust Fund	Jail Improvements Funds	Non-Major Governmental Funds	Total Governmental Funds	General	Special Road and Bridge Fund	Law Enforcement Trust Fund	Jail Improvements Funds	Non-Major Governmental Funds	Total Governmental Funds
REVENUES:												
Property tax	773,499.44	1,496,930.62	-	-	-	2,270,430.06	713,662.64	1,347,142.29	-	-	-	2,060,804.93
Sales tax	2,154,892.69	2,155,262.35	2,318,460.42	1,745.11	-	6,630,360.57	2,143,773.03	2,143,766.79	2,297,442.58	7,989.18	-	6,592,971.58
Other taxes	-	1,170,869.03	-	-	859,816.02	2,030,685.05	-	1,128,928.69	-	-	777,449.51	1,906,378.20
Intergovernmental Revenue	-	-	-	-	4,273.81	4,273.81	-	-	-	-	246,150.66	246,150.66
Charges for Services	1,011,029.34	-	2,217,785.84	-	329,761.42	3,558,576.60	995,975.21	-	1,835,342.59	-	370,347.50	3,201,665.30
Grants	249,735.83	-	54,092.21	-	8,750.36	312,578.40	971,142.29	-	220,556.65	-	87,623.85	1,279,322.79
Reimbursements	68,619.61	94,912.89	-	-	990,072.80	1,153,605.30	54,743.62	109,134.62	-	-	402,872.55	566,750.79
Fees, licenses and permits	-	-	394,438.71	-	200,581.24	595,019.95	-	-	259,857.76	-	113,653.04	373,510.80
Interest	157,776.75	28,412.74	1,941.84	90,017.79	45,142.52	323,291.64	157,076.97	21,361.48	5,471.88	88,487.31	44,205.47	316,603.11
Contributions	-	-	-	-	-	-	-	85,810.41	-	-	-	85,810.41
Sale of Bonds	-	-	-	-	-	-	-	-	-	-	-	-
Other	83,296.82	93,080.02	-	29.25	9,001.06	185,407.15	103,705.68	-	-	146.46	444.97	104,297.11
Total Revenues	4,498,850.48	5,039,467.65	4,986,719.02	91,792.15	2,447,399.23	17,064,228.53	5,140,079.44	4,836,144.28	4,618,671.46	96,622.95	2,042,747.55	16,734,265.68
EXPENDITURES:												
Current:												
General county governmen	973,679.80	-	-	49,842.26	1,133,342.60	2,156,864.66	1,119,561.05	-	-	47,777.21	1,030,349.80	2,197,688.06
Maintenance of Roads	-	2,615,428.50	-	-	609,310.95	3,224,739.45	-	2,456,491.71	-	-	117,614.21	2,574,105.92
Financial Administration	358,230.07	-	-	-	-	358,230.07	319,527.20	-	-	-	-	319,527.20
Other offices & grants	318,049.90	-	-	-	-	318,049.90	475,542.96	-	-	-	-	475,542.96
Health & welfare	-	-	-	-	-	-	-	-	-	-	6,215.25	6,215.25
Public Safety	-	-	-	-	1,053,840.49	1,053,840.49	-	-	-	-	1,121,281.38	1,121,281.38
Property Valuation and Recording	211,985.22	-	-	-	-	211,985.22	220,104.53	-	-	-	-	220,104.53
Administration of Justice and Law	1,504,737.42	-	4,932,992.05	-	-	6,437,729.47	1,382,464.24	-	4,635,167.62	-	-	6,017,631.86
Building Expenses:												
Building Expenses and Repairs	-	-	-	259,195.16	-	259,195.16	-	-	-	263,072.03	-	263,072.03
Capital Outlay:												
Construction of roads and bridges	-	1,903,502.56	-	-	-	1,903,502.56	-	1,701,143.23	-	-	20,165.65	1,721,308.88
Property, equipment and buildings	1,190,677.75	910,495.44	288,848.69	-	87,220.66	2,477,242.54	1,009,048.25	839,542.43	328,703.71	-	-	2,177,294.39
Debt Service:												
Principal payments	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
Other charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	4,557,360.16	5,429,426.50	5,221,840.74	309,037.42	2,883,714.70	18,401,379.52	4,526,248.23	4,997,177.37	4,963,871.33	310,849.24	2,295,626.29	17,093,772.46
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(58,509.68)	(389,958.85)	(235,121.72)	(217,245.27)	(436,315.47)	(1,337,150.99)	613,831.21	(161,033.09)	(345,199.87)	(214,226.29)	(252,878.74)	(359,506.78)
OTHER FINANCING SOURCES (USES):												
Transfers in	15,000.00	-	289,000.00	-	450,000.00	754,000.00	-	30,000.00	80,000.00	-	425,000.00	535,000.00
Transfers out	(739,000.00)	-	-	-	(15,000.00)	(754,000.00)	(535,000.00)	-	-	-	-	(535,000.00)
Total Other Financing Sources (uses)	(724,000.00)	-	289,000.00	-	435,000.00	-	(535,000.00)	30,000.00	80,000.00	-	425,000.00	-
NET CHANGE IN FUND BALANCE	(782,509.68)	(389,958.85)	53,878.28	(217,245.27)	(1,315.47)	(1,337,150.99)	78,831.21	(131,033.09)	(265,199.87)	(214,226.29)	172,121.26	(359,506.78)
FUND BALANCE - BEGINNING OF YEAR	4,124,658.57	210,840.02	20,454.67	2,409,043.27	654,248.72	7,419,245.25	4,045,827.36	341,873.11	285,654.54	2,623,269.56	482,127.46	7,778,752.03
FUND BALANCE - END OF YEAR	3,342,148.89	(179,118.83)	74,332.95	2,191,798.00	652,933.25	6,082,094.26	4,124,658.57	210,840.02	20,454.67	2,409,043.27	654,248.72	7,419,245.25

See accompanying notes to the financial statements

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Amounts reported for governmental activities in the
statement of activities are different because

Total Fund Balance – Governmental Funds	\$ 6,082,094.26
There are no items of reconciliation	<u>-</u>
Total Net Assets – Governmental Activities	<u><u>\$ 6,082,094.26</u></u>

See accompanying notes to the financial statements

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS BALANCE SHEET
WITH THE STATEMENT OF NET ASSETS
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006

Amounts reported for governmental activities in the
statement of activities are different because

Total Fund Balance – Governmental Funds	\$ 7,419,245.25
There are no items of reconciliation	<u>-</u>
Total Net Assets – Governmental Activities	<u><u>\$ 7,419,245.25</u></u>

See accompanying notes to the financial statements

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE COUNTY WIDE
STATEMENT OF ACTIVITIES
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2007

Total net change in fund balances – governmental funds	\$ (1,337,150.99)
There are no items of reconciliation	<u>-</u>
Change in net assets of governmental activities	<u><u>\$ (1,337,150.99)</u></u>

See accompanying notes to the financial statements

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
RECONCILIATION OF THE COUNTY FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES WITH THE COUNTY WIDE
STATEMENT OF ACTIVITIES
CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2006

Total net change in fund balances – governmental funds	\$ (359,506.78)
There are no items of reconciliation	<u>-</u>
Change in net assets of governmental activities	<u>\$ (359,506.78)</u>

See accompanying notes to the financial statements

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
STATEMENT OF FIDUCIARY NET ASSETS
CASH BASIS - AGENCY FUNDS

	December 31, 2007 Agency Funds	December 31, 2006 Agency Funds
ASSETS		
Cash and Cash equivalents	<u>28,556,440.88</u>	<u>27,288,656.10</u>
TOTAL ASSETS	<u><u>28,556,440.88</u></u>	<u><u>27,288,656.10</u></u>
LIABILITIES		
Due to other funds	<u>28,556,440.88</u>	<u>27,288,656.10</u>
TOTAL LIABILITIES	<u><u>28,556,440.88</u></u>	<u><u>27,288,656.10</u></u>

See accompanying notes to financial statements

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Lincoln, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three board members, there are six elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Sheriff, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Government Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principle Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the cash basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police and fire protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Lincoln County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The financial statements do not include financial data for the County's legally separate component unit, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Lincoln County as of December 31, 2007 and 2006, the changes in its financial position, or, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, the Health Department of Lincoln County, Missouri, and the Lincoln County Agency for Developmental Disabilities has issued separate reporting entity financial statements. For information on these component units, please contact the Lincoln County Health Department at (636) 528-6117 (or write to 5 Health Drive Troy, MO 63379), or the Agency for Developmental Disabilities at (636)528-7695 (or write to P.O. Box 420, Troy, MO 63379).

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

Government-wide Financial Statements:

The Statement of Net Assets and the Statement of Activities present financial information about the primary government of Lincoln County only and not any of its component units. These statements include the financial activities of the primary government and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charges to external parties for goods or services. The County does not have any such activities.

The Statement of Net Assets presents the financial condition of the governmental activities of the primary government of Lincoln County at year-end. The statement of Activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Amounts reported as *program revenues* (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes, unrestricted interest earnings, gains, and other miscellaneous revenue not properly included among *program revenues* are presented instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

Following the government-wide financial statements are separate financial statements for governmental funds and fiduciary funds. Presently, the County has no proprietary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The County has determined that the General Fund, Law Enforcement Trust, Jail Improvement, and Road and Bridge are major governmental funds. All other governmental funds are reported in one column labeled "Non-major Governmental Funds". If applicable, the total fund balances for all governmental funds is reconciled to total net assets. The net change in fund balance for all governmental funds, if applicable, is reconciled to the total change in net assets as shown on the statement of activities in the government-wide financial statements.

The fund financial statements of the County are organized on the basis of funds, each of which is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, fund balances/net assets, revenues and expenditures.

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the basic financial statements. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

The following are the County's governmental major funds:

General Fund – The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Road and Bridge Fund – A Special Revenue Fund used to account for receipts of the County property tax levy and related expenditures for road maintenance and improvement projects.

Law Enforcement Trust Fund – A Special Revenue Fund used to account for the County Sales tax levy and related expenditures for law enforcement for the county.

Jail Improvement Fund – A Special Revenue Fund used to account for the County Sales tax levy and related expenditures for the jail of the county.

The other governmental funds of the County are considered non-major funds. They include special revenue funds, which account for the proceeds of specific revenue sources that generally are legally restricted to expenditures for specific purposes.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other agency operations.

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements and fund financial statements are prepared using the Cash basis of accounting. The basis of accounting recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures when they result from cash transactions except that the purchase of investments are recorded as assets; funds collected through the agency funds, not yet remitted, are recorded as liabilities and as receivables and revenue in the fund statements as applicable; and receipts of proceeds of tax anticipation notes are recorded as liabilities. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of this cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2007 and 2006, for purposes of taxation was:

	2007	2006
Real Estate	\$ 417,458,650	\$372,648,940
Personal Property	139,521,634	137,065,210
Railroad and Utilities	45,583,728	44,974,489
	<u>\$ 602,564,012</u>	<u>\$554,688,639</u>

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Property Taxes (continued)

During 2007 and 2006, the County Commission approved a \$0.4085 and \$0.3824 respectively tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year 2007 and 2006, for purposes of County taxation, as follows:

	2007	2006
General Revenue Fund	\$.1528	\$.1239
Road and Bridge	.2557	.2585
	<u>\$ 0.4085</u>	<u>\$ 0.3824</u>

E. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

F. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are classified as "Due from other funds" or "Due to other funds" on the Balance Sheet – Cash basis – Governmental fund.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Interfund Transactions (continued)

Elimination of interfund activity has been made for governmental activities in the government-wide financial statements.

G. Reserved Fund Balance

Reserved fund balance represents the portion of fund balance that is not available for appropriation or is legally restricted for a specific purpose. Fund balance reserves have been established for capital projects.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Use of Estimates in Financial Statements

Preparation of these financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposit with maturities greater than three months are considers investments. Each fund type's portion of this pool is displayed on the Balance Sheet Governmental Funds arising from cash transactions as "Cash and Equivalents" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2007 and 2006, the carrying amount of the County's deposits was \$6,082,094.26 and \$7,419,245.25, the bank balance was \$6,086,748.33 and \$8,668,668.25 respectively. As of December 31, 2007 and 2006, 100% of the County's investments were guaranteed by the U. S. Government.

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

2. DEPOSITS AND INVESTMENTS (continued)

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2007, as follows:

Included in the following fund financial statement captions:

Balance Sheet – Government Funds

Deposits	\$ 6,082,094.26
Investments	-
Restricted cash	-
Total Deposits & Investments as of December 31, 2007	<u>\$ 6,082,094.26</u>

The carrying values of deposits and investments at December 31, 2006, are as follows:

Included in the following fund financial statement captions:

Balance Sheet – Government Funds

Deposits	\$ 7,419,245.25
Investments	-
Restricted cash	-
Total Cash & Investment as of December 31, 2006	<u>\$ 7,419,245.25</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year end December 31, 2007 & 2006.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Custodial Credit Risk – Investments

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

2. DEPOSITS AND INVESTMENTS (concluded)

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The county does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the year end December 31, 2007 & 2006.

3. CHANGES IN LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2006:

	Certificates of Participation	Automobile Lease Purchase	TOTAL
Long-Term Debt – January 1, 2006	\$ 2,200,000.00	\$ 70,818.02	\$ 2,270,818.02
Add-issued	-	114,521.16	114,521.16
Less Payments	<u>(800,000.00)</u>	<u>(34,749.26)</u>	<u>(834,749.26)</u>
Long-Term Debt – December 31, 2006	<u>\$ 1,400,000.00</u>	<u>\$ 150,589.92</u>	<u>\$ 1,550,589.92</u>

Certificates of Participation at December 31, 2006, consists of:

\$2,500,000 Original Principal Lincoln County Certificates of Participation Series 2001B-due in varying annual principal installments ranging from \$95,000 to \$165,000 through April 1, 2022, interest rate is 3.0 percent. Extra payments were made to pay off the COPS in March of 2008.

\$ 1,400,000.00

Automobile Lease Purchase at December 31, 2006, consists of:

The County has entered into various Lease Purchase agreements for police vehicles through Peoples Bank and Trust. These vehicles have been purchased in 2005 and 2006 and they make various annual payments that do not exceed 36 months. The interest rate varies on all of the Lease Purchases from 3.50% to 5.813%.

\$ 150,589.92

Total Long-Term Debt

\$ 1,550,589.92

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

3. CHANGES IN LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all Certificates of Participation outstanding as of December 31, 2006, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2007	\$ 1,100,000.00	\$ 48,886.25	\$ 1,148,886.25
2008	<u>300,000.00</u>	<u>12,548.75</u>	<u>312,548.75</u>
Totals	<u>\$ 1,400,000.00</u>	<u>\$ 61,435.00</u>	<u>\$ 1,461,435.00</u>

The annual requirements to amortize all Automobile Lease Purchase Agreements outstanding as of December 31, 2006, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2007	\$ 95,763.79	\$ 9,606.45	\$ 105,370.24
2008	98,157.89	12,647.81	110,805.70
2009	79,767.70	6,962.08	86,729.78
2010	<u>40,446.35</u>	<u>2,337.80</u>	<u>42,784.15</u>
Totals	<u>\$ 314,135.73</u>	<u>\$ 31,554.14</u>	<u>\$ 345,689.87</u>

The following is a summary of changes in long-term debt for the year ended December 31, 2007:

	Certificates of Participation	Automobile Lease Purchase	TOTAL
Long-Term Debt – January 1, 2007	\$1,400,000.00	\$ 150,589.92	\$ 1,550,589.92
Add-issued	-	163,545.82	163,545.82
Less Payments	<u>(1,100,000.00)</u>	<u>(95,763.79)</u>	<u>(1,195,763.79)</u>
Long-Term Debt – December 31, 2007	<u>\$300,000.00</u>	<u>\$ 218,371.95</u>	<u>\$ 518,371.95</u>

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

3. CHANGES IN LONG-TERM DEBT (CONCLUDED)

Certificates of Participation at December 31, 2007, consists of:

\$2,500,000 Original Principal Lincoln County Certificates of Participation Series 2001B-due in varying annual principal installments ranging from \$95,000 to \$165,000 through April 1, 2022, interest rate is 3.0 percent. Extra payments were made to pay off the COPS in March of 2008.

\$ 300,000.00

Automobile Lease Purchase at December 31, 2007, consists of:

The County has entered into various Lease Purchase agreements for police vehicles through Peoples Bank and Trust. These vehicles have been purchased in 2005, 2006 and 2007 and they make various annual payments that do not exceed 36 months. The interest rate varies on all of the Lease Purchases from 3.50% to 5.813%.

\$ 218,371.95

Total Long-Term Debt

\$ 518,371.95

The annual requirements to amortize all Certificates of Participation outstanding as of December 31, 2007, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2008	<u>\$ 300,000.00</u>	<u>\$ 12,548.75</u>	<u>\$ 312,548.75</u>
Totals	<u>\$ 300,000.00</u>	<u>\$ 12,548.75</u>	<u>\$ 312,548.75</u>

The annual requirements to amortize all Automobile Lease Purchase Agreements outstanding as of December 31, 2007, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2008	\$ 98,157.89	\$ 12,647.81	\$ 110,805.70
2009	79,767.70	6,962.08	86,729.78
2010	<u>40,446.35</u>	<u>2,337.80</u>	<u>42,784.15</u>
Totals	<u>\$ 218,371.94</u>	<u>\$ 21,947.69</u>	<u>\$ 240,319.63</u>

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

4. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2007 and 2006 are as follows:

	2007		2006	
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:				
General Fund	\$ 15,000.00	\$ 739,000.00	\$ -	\$ 535,000.00
Law Enforcement Trust Fund	289,000.00	-	80,000.00	-
Road & Bridge Fund	-	-	30,000.00	-
Non-major Funds	450,000.00	15,000.00	425,000.00	-
Total	<u>\$ 754,000.00</u>	<u>\$ 754,000.00</u>	<u>\$ 535,000.00</u>	<u>\$ 535,000.00</u>

5. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

A. Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer of employee whose performance requires the actual performance of duties during not less than (1,000) one thousand hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994. The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

B. Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

5. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)(Concluded)

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement at age fifty-five with reduced benefit is allowed for the police department, all other departments in the county the age is sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

C. Funding Policy

In accordance with State Statutes, the Plan is funded through various fees collected by counties and remitted to the CERF. Eligible employees hired before February 2002 have an option to contribute 2% of their annually salary, while employees hired after February 2002 are required to contribute 6% of their annual salary in order to participate in the CERF. During 2007 and 2006, the County collected and remitted to CERF, employee contributions of approximately for \$45,964.79 and \$43,153.59, respectively, for the years then ended.

6. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Chapter 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$7,752 and \$7,752, respectively, for the years ended December 31, 2007 and 2006.

7. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

8. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is involved various lawsuits at this time, all of which will be covered by the counties insurance, or will be dropped.

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 & 2006

8. CLAIMS COMMITMENTS AND CONTINGENCIES (Concluded)

B. Compensated Absences

The County provides employees with up to three weeks of paid leave based upon the number of years of continuing service. Upon termination from county employment, an employee is reimbursed for half of the unused leave time. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

9. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Chapter 537.70 RSMo. 1986). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

REQUIRED SUPPLEMENTARY INFORMATION

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON GAAP BUDGET BASIS AND ACTUAL - CASH BASIS -
GENERAL FUND - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2007				DECEMBER 31, 2006			
	Budgeted Amounts		Actual	Over (Under) Final Budget	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final			Original	Final		
REVENUES:								
Property taxes	722,000.00	722,000.00	773,499.44	51,499.44	677,000.00	677,000.00	713,662.64	36,662.64
Sales tax	2,207,000.00	2,207,000.00	2,154,892.69	(52,107.31)	2,230,000.00	2,230,000.00	2,143,773.03	(86,226.97)
Other taxes	-	-	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-	-	-
Charges for services	1,029,100.00	1,029,100.00	1,011,029.34	(18,070.66)	1,050,200.00	1,050,200.00	995,975.21	(54,224.79)
Grants	195,814.00	195,814.00	249,735.83	53,921.83	194,035.00	194,035.00	971,142.29	777,107.29
Reimbursements	56,006.40	56,006.40	68,619.61	12,613.21	17,130.40	17,130.40	54,743.62	37,613.22
Fees, licenses and permits	-	-	-	-	-	-	-	-
Interests	130,000.00	130,000.00	157,776.75	27,776.75	120,000.00	120,000.00	157,076.97	37,076.97
Other	71,000.00	71,000.00	83,296.82	12,296.82	119,700.00	119,700.00	103,705.68	(15,994.32)
Total Revenues	4,410,920.40	4,410,920.40	4,498,850.48	87,930.08	4,408,065.40	4,408,065.40	5,140,079.44	732,014.04
EXPENDITURES:								
Current:								
General county government	1,422,879.50	1,422,879.50	973,679.80	(449,199.70)	1,321,583.00	1,321,583.00	1,119,561.05	(202,021.95)
Financial Administration:	355,020.00	355,020.00	358,230.07	3,210.07	361,063.00	361,063.00	319,527.20	(41,535.80)
Other offices & grants	554,677.55	554,677.55	318,049.90	(236,627.65)	520,189.00	520,189.00	475,542.96	(44,646.04)
Health and Welfare	-	-	-	-	-	-	-	-
Property Valuation and Recording:	223,132.53	223,132.53	211,985.22	(11,147.31)	273,568.00	273,568.00	220,104.53	(53,463.47)
Administration of Justice and Law	1,688,245.62	1,688,245.62	1,504,737.42	(183,508.20)	1,543,290.11	1,543,290.11	1,382,464.24	(160,825.87)
Capital Outlay:								
Construction of roads and bridges	-	-	-	-	-	-	-	-
Property, equipment and buildings	1,781,150.00	1,781,150.00	1,190,677.75	(590,472.25)	695,444.00	695,444.00	1,009,048.25	313,604.25
Debt Service:								
Principal payments	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Other charges	-	-	-	-	-	-	-	-
Total Expenditures	6,025,105.20	6,025,105.20	4,557,360.16	(1,467,745.04)	4,715,137.11	4,715,137.11	4,526,248.23	(188,888.88)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,614,184.80)	(1,614,184.80)	(58,509.68)	1,555,675.12	(307,071.71)	(307,071.71)	613,831.21	920,902.92
OTHER FINANCING SOURCES (USES):								
Transfers in	15,000.00	15,000.00	15,000.00	-	-	-	-	-
Transfers out	(1,250,882.00)	(1,250,882.00)	(739,000.00)	511,882.00	(855,745.00)	(855,745.00)	(535,000.00)	320,745.00
Debt Service								
Principal payment	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(1,235,882.00)	(1,235,882.00)	(724,000.00)	511,882.00	(855,745.00)	(855,745.00)	(535,000.00)	320,745.00
NET CHANGE IN FUND BALANCE	(2,850,066.80)	(2,850,066.80)	(782,509.68)	2,067,557.12	(1,162,816.71)	(1,162,816.71)	78,831.21	1,241,647.92
FUND BALANCE - BEGIN OF YEAR	4,124,658.57	4,124,658.57	4,124,658.57	-	4,045,827.36	4,045,827.36	4,045,827.36	-
FUND BALANCE - END OF YEAR	1,274,591.77	1,274,591.77	3,342,148.89	2,067,557.12	2,883,010.65	2,883,010.65	4,124,658.57	1,241,647.92

See accompanying independent auditors' report

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPEDITURES
NON GAAP BUDGET BASIS AND ACTUAL - CASH BASIS -
GENERAL FUND - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2007				DECEMBER 31, 2006			
	Budgeted Amounts		Actual	Over (Under) Final Budget	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final			Original	Final		
EXPENDITURES:								
Current:								
General County Government:								
County Commission	\$ 244,622.00	244,622.00	160,861.20	\$ (83,760.80)	\$ 170,333.00	170,333.00	142,957.58	\$ (27,375.42)
County Clerk	170,440.00	170,440.00	149,056.45	(21,383.55)	178,400.00	178,400.00	162,841.32	(15,558.68)
Elections	137,400.00	137,400.00	81,421.28	(55,978.72)	316,600.00	316,600.00	237,306.37	(79,293.63)
Buildings and grounds	269,135.50	269,135.50	164,360.61	(104,774.89)	281,350.00	281,350.00	192,148.77	(89,201.23)
Employee fringe benefits	420,400.00	420,400.00	417,980.26	(2,419.74)	374,900.00	374,900.00	384,307.01	9,407.01
Other Expenses	180,882.00	180,882.00	-	(180,882.00)	-	-	-	-
	<u>1,422,879.50</u>	<u>1,422,879.50</u>	<u>973,679.80</u>	<u>(449,199.70)</u>	<u>1,321,583.00</u>	<u>1,321,583.00</u>	<u>1,119,561.05</u>	<u>(202,021.95)</u>
Financial Administration:								
Collector	267,900.00	267,900.00	275,932.31	(8,032.31)	263,917.00	263,917.00	255,993.04	(7,923.96)
Treasurer	87,120.00	87,120.00	82,297.76	4,822.24	97,146.00	97,146.00	63,534.16	(33,611.84)
	<u>355,020.00</u>	<u>355,020.00</u>	<u>358,230.07</u>	<u>(3,210.07)</u>	<u>361,063.00</u>	<u>361,063.00</u>	<u>319,527.20</u>	<u>(41,535.80)</u>
Other Offices & Grants								
Other Offices & Grants	554,677.55	554,677.55	318,049.90	(236,627.65)	520,189.00	520,189.00	475,542.96	(44,646.04)
	<u>554,677.55</u>	<u>554,677.55</u>	<u>318,049.90</u>	<u>(236,627.65)</u>	<u>520,189.00</u>	<u>520,189.00</u>	<u>475,542.96</u>	<u>(44,646.04)</u>
Health & Welfare								
Public Health and Welfare	-	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying independent auditors' report

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
DEPARTMENTAL SCHEDULE OF EXPENDITURES
NON GAAP BUDGET BASIS AND ACTUAL - CASH BASIS -
GENERAL FUND (CONTINUED) - UNAUDITED
FOR THE YEARS ENDED

	DECEMBER 31, 2007				DECEMBER 31, 2006			
	Budgeted Amounts		Actual	Over (Under) Final Budget	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final			Original	Final		
Property Valuation and Recording:								
Recorder of Deeds	223,132.53	223,132.53	211,985.22	(11,147.31)	273,568.00	273,568.00	220,104.53	(53,463.47)
Administration of Justice and Law Enforcement:								
Associate Circuit	-	-	-	-	-	-	-	-
Circuit Clerk	137,216.72	137,216.72	129,562.57	(7,654.15)	144,424.00	144,424.00	128,111.26	(16,312.74)
Surveyor	4,500.00	4,500.00	988.80	(3,511.20)	4,500.00	4,500.00	1,651.47	(2,848.53)
Assessor	-	-	-	-	-	-	-	-
Court Administrator	239,014.00	239,014.00	151,813.69	(87,200.31)	213,822.00	213,822.00	177,951.39	(35,870.61)
Dispatch	-	-	-	-	-	-	-	-
Special Services	124,903.00	124,903.00	99,430.35	(25,472.65)	106,301.00	106,301.00	86,769.89	(19,531.11)
Jail	-	-	-	-	-	-	-	-
Jury Script	-	-	-	-	-	-	-	-
Justice Center	228,221.00	228,221.00	183,784.70	(44,436.30)	232,064.00	232,064.00	171,226.82	(60,837.18)
Juvenile Office	185,482.50	185,482.50	176,382.52	(9,099.98)	193,649.11	193,649.11	180,113.66	(13,535.45)
Lincoln County Rescue Squad	-	-	-	-	-	-	-	-
Coroner's Office	50,774.40	50,774.40	36,528.63	(14,245.77)	50,480.00	50,480.00	36,556.75	(13,923.25)
Sheriffs Office	-	-	-	-	-	-	-	-
Drug Task Force	-	-	-	-	-	-	-	-
Emergency Fund	-	-	-	-	-	-	-	-
Prosecuting Attorney	665,194.00	665,194.00	674,146.15	8,952.15	547,000.00	547,000.00	550,065.74	3,065.74
Prosecuting Attorney Retirement	-	-	-	-	-	-	-	-
Public Administrator	52,940.00	52,940.00	52,100.01	(839.99)	51,050.00	51,050.00	50,017.26	(1,032.74)
	1,688,245.62	1,688,245.62	1,504,737.42	(183,508.20)	1,543,290.11	1,543,290.11	1,382,464.24	(160,825.87)
Debt Service:								
Principal payments	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Other charges	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Capital Outlay:								
Property, Equipment & Buildings	1,781,150.00	1,781,150.00	1,190,677.75	(590,472.25)	695,444.00	695,444.00	1,009,048.25	313,604.25
	1,781,150.00	1,781,150.00	1,190,677.75	(590,472.25)	695,444.00	695,444.00	1,009,048.25	313,604.25
Total Expenditures	\$ 6,025,105.20	6,025,105.20	4,557,360.16	(1,467,745.04)	\$ 4,715,137.11	4,715,137.11	4,526,248.23	(188,888.88)

See accompanying independent auditors' report

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - CASH BASIS - SPECIAL REVENUE
UNAUDITED - SPECIAL ROAD AND BRIDGE FUND
FOR THE YEARS ENDED

	DECEMBER 31, 2007				DECEMBER 31, 2006			
	Budgeted Amounts		Actual	Over (Under) Final Budget	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final			Original	Final		
REVENUES:								
Property tax	1,436,000.00	1,436,000.00	1,496,930.62	60,930.62	1,397,000.00	1,397,000.00	1,347,142.29	(49,857.71)
Sales tax	2,207,000.00	2,207,000.00	2,155,262.35	(51,737.65)	2,230,000.00	2,230,000.00	2,143,766.79	(86,233.21)
Other taxes	1,143,000.00	1,143,000.00	1,170,869.03	27,869.03	1,156,000.00	1,156,000.00	1,128,928.69	(27,071.31)
Intergovernmental revenue	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Reimbursement	100,000.00	100,000.00	94,912.89	(5,087.11)	108,600.00	108,600.00	109,134.62	534.62
Fees, licenses and permits	-	-	-	-	-	-	-	-
Interest	25,000.00	25,000.00	28,412.74	3,412.74	25,000.00	25,000.00	21,361.48	(3,638.52)
Other	366,500.00	366,500.00	93,080.02	(273,419.98)	71,000.00	71,000.00	85,810.41	14,810.41
Total Revenues	5,277,500.00	5,277,500.00	5,039,467.65	(238,032.35)	4,987,600.00	4,987,600.00	4,836,144.28	(151,455.72)
EXPENDITURES:								
Current:								
Maintenance of Roads:								
Salaries	947,015.00	947,015.00	869,101.80	(77,913.20)	997,988.00	997,988.00	881,336.12	(116,651.88)
Employee Benefits	353,360.00	353,360.00	333,503.39	(19,856.61)	350,200.00	350,200.00	296,516.88	(53,683.12)
Supplies	488,000.00	488,000.00	511,223.64	23,223.64	439,000.00	439,000.00	441,197.73	2,197.73
Insurance	35,000.00	35,000.00	42,036.28	7,036.28	40,000.00	40,000.00	26,534.94	(13,465.06)
Materials	215,000.00	215,000.00	119,420.58	(95,579.42)	380,000.00	380,000.00	356,620.54	(23,379.46)
Equipment Repairs	275,000.00	275,000.00	371,390.85	96,390.85	275,000.00	275,000.00	238,253.48	(36,746.52)
Rentals	400,000.00	400,000.00	289,170.00	(110,830.00)	300,000.00	300,000.00	136,848.25	(163,151.75)
Other Expenditures	130,000.00	130,000.00	79,581.96	(50,418.04)	105,000.00	105,000.00	79,183.77	(25,816.23)
Capital Outlay:								
Construction of roads and bridges	1,663,600.00	1,663,600.00	1,903,502.56	239,902.56	1,510,000.00	1,510,000.00	1,701,143.23	191,143.23
Property, equipment & buildings	950,000.00	950,000.00	910,495.44	(39,504.56)	900,000.00	900,000.00	839,542.43	(60,457.57)
Total Expenditures	5,456,975.00	5,456,975.00	5,429,426.50	(27,548.50)	5,297,188.00	5,297,188.00	4,997,177.37	(300,010.63)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(179,475.00)	(179,475.00)	(389,958.85)	(210,483.85)	(309,588.00)	(309,588.00)	(161,033.09)	148,554.91
OTHER FINANCING SOURCES(USES):								
Transfers in	-	-	-	-	-	-	30,000.00	30,000.00
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	30,000.00	30,000.00
NET CHANGE IN FUND BALANCE	(179,475.00)	(179,475.00)	(389,958.85)	(210,483.85)	(309,588.00)	(309,588.00)	(131,033.09)	178,554.91
FUND BALANCE - BEGINNING OF YEAR	210,840.02	210,840.02	210,840.02	-	341,873.11	341,873.11	341,873.11	-
FUND BALANCE - END OF YEAR	31,365.02	31,365.02	(179,118.83)	(210,483.85)	32,285.11	32,285.11	210,840.02	178,554.91

See accompanying independent auditors' report

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - CASH BASIS - SPECIAL REVENUE FUND
UNAUDITED - LAW ENFORCEMENT TRUST FUND
FOR THE YEARS ENDED

	DECEMBER 31, 2007				DECEMBER 31, 2006			
	Budgeted Amounts		Actual	Over (Under) Final Budget	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final			Original	Final		
REVENUES:								
Property tax	-	-	-	-	-	-	-	-
Sales tax	2,350,000.00	2,350,000.00	2,318,460.42	(31,539.58)	2,250,000.00	2,250,000.00	2,297,442.58	47,442.58
Other taxes	-	-	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	-	-	-
Charges for services	2,200,000.00	2,200,000.00	2,217,785.84	17,785.84	2,200,000.00	2,200,000.00	1,835,342.59	(364,657.41)
Grants	111,000.00	111,000.00	54,092.21	(56,907.79)	141,500.00	141,500.00	220,556.65	79,056.65
Reimbursements	-	-	-	-	-	-	-	-
Fees, licenses and permits	351,500.00	351,500.00	394,438.71	42,938.71	234,000.00	234,000.00	259,857.76	25,857.76
Interest	5,000.00	5,000.00	1,941.84	(3,058.16)	8,500.00	8,500.00	5,471.88	(3,028.12)
Other	-	-	-	-	-	-	-	-
Total Revenues	5,017,500.00	5,017,500.00	4,986,719.02	(30,780.98)	4,834,000.00	4,834,000.00	4,618,671.46	(215,328.54)
EXPENDITURES:								
Current:								
Administration of Justice and Law:								
Salaries	3,484,911.00	3,484,911.00	3,435,760.33	(49,150.67)	3,284,895.00	3,284,895.00	3,269,559.57	(15,335.43)
Employee Benefits	969,500.00	969,500.00	966,118.78	(3,381.22)	909,000.00	909,000.00	880,493.29	(28,506.71)
Office Supplies	114,738.00	114,738.00	75,229.34	(39,508.66)	100,000.00	100,000.00	60,918.74	(39,081.26)
Jail and Kitchen	245,000.00	245,000.00	251,577.27	6,577.27	290,000.00	290,000.00	228,128.52	(61,871.48)
Other	226,500.00	226,500.00	204,306.33	(22,193.67)	231,500.00	231,500.00	196,067.50	(35,432.50)
Capital Outlay:								
Property, Equipment & Buildings	282,176.00	282,176.00	288,848.69	6,672.69	463,500.00	463,500.00	328,703.71	(134,796.29)
Total Expenditures	5,322,825.00	5,322,825.00	5,221,840.74	(100,984.26)	5,278,895.00	5,278,895.00	4,963,871.33	(315,023.67)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(305,325.00)	(305,325.00)	(235,121.72)	70,203.28	(444,895.00)	(444,895.00)	(345,199.87)	99,695.13
OTHER FINANCING SOURCES(USES):								
Transfers in	285,000.00	285,000.00	289,000.00	4,000.00	160,000.00	160,000.00	80,000.00	(80,000.00)
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	285,000.00	285,000.00	289,000.00	4,000.00	160,000.00	160,000.00	80,000.00	(80,000.00)
NET CHANGE IN FUND BALANCE	(20,325.00)	(20,325.00)	53,878.28	74,203.28	(284,895.00)	(284,895.00)	(265,199.87)	19,695.13
FUND BALANCE - BEGINNING OF YEAR	20,454.67	20,454.67	20,454.67	-	285,654.54	285,654.54	285,654.54	-
FUND BALANCE - END OF YEAR	129.67	129.67	74,332.95	74,203.28	759.54	759.54	20,454.67	19,695.13

See accompanying independent auditors' report

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-GAAP BUDGET BASIS AND ACTUAL - CASH BASIS - SPECIAL REVENUE FUND
UNAUDITED - JAIL IMPROVEMENT FUND
FOR THE YEARS ENDED

	DECEMBER 31, 2007				DECEMBER 31, 2006			
	Budgeted Amounts		Actual	Over (Under) Final Budget	Budgeted Amounts		Actual	Over (Under) Final Budget
	Original	Final			Original	Final		
REVENUES:								
Property tax	-	-	-	-	-	-	-	-
Sales tax	2,000.00	2,000.00	1,745.11	(254.89)	65,000.00	65,000.00	7,989.18	(57,010.82)
Other taxes	-	-	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-	-
Reimbursements	-	-	-	-	-	-	-	-
Fees, licenses and permits	-	-	-	-	-	-	-	-
Interest	70,000.00	70,000.00	90,017.79	20,017.79	50,000.00	50,000.00	88,487.31	38,487.31
Sale of Bonds	-	-	-	-	-	-	-	-
Other	-	-	29.25	29.25	-	-	146.46	146.46
Total Revenues	72,000.00	72,000.00	91,792.15	19,792.15	115,000.00	115,000.00	96,622.95	(18,377.05)
EXPENDITURES:								
Current:								
General County Government:								
Salaries	49,265.00	49,265.00	49,842.26	577.26	47,455.00	47,455.00	47,777.21	322.21
Building Expenses:								
Building Expenses and Repairs	321,000.00	321,000.00	259,195.16	(61,804.84)	330,015.00	330,015.00	263,072.03	(66,942.97)
Capital Outlay:								
Property, Equipment & Buildings	300,000.00	300,000.00	-	(300,000.00)	-	-	-	-
Total Expenditures	670,265.00	670,265.00	309,037.42	(361,227.58)	377,470.00	377,470.00	310,849.24	(66,620.76)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(598,265.00)	(598,265.00)	(217,245.27)	381,019.73	(262,470.00)	(262,470.00)	(214,226.29)	48,243.71
OTHER FINANCING SOURCES(USES):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(598,265.00)	(598,265.00)	(217,245.27)	381,019.73	(262,470.00)	(262,470.00)	(214,226.29)	48,243.71
FUND BALANCE - BEGINNING OF YEAR	2,409,043.27	2,409,043.27	2,409,043.27	-	2,623,269.56	2,623,269.56	2,623,269.56	-
FUND BALANCE - END OF YEAR	1,810,778.27	1,810,778.27	2,191,798.00	381,019.73	2,360,799.56	2,360,799.56	2,409,043.27	48,243.71

See accompanying independent auditors' report

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2007 & 2006

Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning the following January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1 the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

SUPPLEMENTARY INFORMATION

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2007

	Assessment Fund	911 Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Sheltercare Fund	BRO Fund	Ridge Road NID Fund	Walker Road Fund	Civil Fee Fund	Prosecuting Attorney Bad Check Fund	Recorder User Fees	Prosecuting Attorney Delinquent Tax Fund	Election Service Fund	Sheriffs Revolving Fund	Law Enforcement Restitution Fund	Wildoradoe Road Improvement Fund
ASSETS																
Cash and Cash Equivalents	33,392.44	39,982.27	480.89	993.72	22,030.94	912.32	-	1,374.45	5,108.97	5,597.29	92,692.81	939.97	29,390.54	20,128.10	9.78	11,446.27
TOTAL ASSETS	<u>33,392.44</u>	<u>39,982.27</u>	<u>480.89</u>	<u>993.72</u>	<u>22,030.94</u>	<u>912.32</u>	<u>-</u>	<u>1,374.45</u>	<u>5,108.97</u>	<u>5,597.29</u>	<u>92,692.81</u>	<u>939.97</u>	<u>29,390.54</u>	<u>20,128.10</u>	<u>9.78</u>	<u>11,446.27</u>
LIABILITIES AND FUND BALANCES																
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	33,392.44	39,982.27	480.89	993.72	22,030.94	912.32	-	1,374.45	5,108.97	5,597.29	92,692.81	939.97	29,390.54	20,128.10	9.78	11,446.27
TOTAL LIABILITIES AND FUND BALANCES	<u>33,392.44</u>	<u>39,982.27</u>	<u>480.89</u>	<u>993.72</u>	<u>22,030.94</u>	<u>912.32</u>	<u>-</u>	<u>1,374.45</u>	<u>5,108.97</u>	<u>5,597.29</u>	<u>92,692.81</u>	<u>939.97</u>	<u>29,390.54</u>	<u>20,128.10</u>	<u>9.78</u>	<u>11,446.27</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET - CASH BASIS -
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2007

	Wetmier Estates NID Project Fund	Clarks Pointe NID Project	Tax Maintenance Fund	Boonslick Regional Planning Fund	Supervised Visitation Program	Circuit Clerk Interest Fund	Time Fee Payment Fund	Family Court Fund	Drug Court Fund	Law Library Fund	Springhaven NID District Fund	Orchardview Road Project NID Fund	Total
ASSETS													
Cash and Cash Equivalents	34,410.31	20,062.99	132,905.78	-	13,619.35	41,246.24	6,205.02	54,652.60	10,673.64	56,947.92	12,038.83	5,689.81	652,933.25
													-
TOTAL ASSETS	<u>34,410.31</u>	<u>20,062.99</u>	<u>132,905.78</u>	<u>-</u>	<u>13,619.35</u>	<u>41,246.24</u>	<u>6,205.02</u>	<u>54,652.60</u>	<u>10,673.64</u>	<u>56,947.92</u>	<u>12,038.83</u>	<u>5,689.81</u>	<u>652,933.25</u>
LIABILITIES AND FUND BALANCES													
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	34,410.31	20,062.99	132,905.78	-	13,619.35	41,246.24	6,205.02	54,652.60	10,673.64	56,947.92	12,038.83	5,689.81	652,933.25
TOTAL LIABILITIES AND FUND BALANCES	<u>34,410.31</u>	<u>20,062.99</u>	<u>132,905.78</u>	<u>-</u>	<u>13,619.35</u>	<u>41,246.24</u>	<u>6,205.02</u>	<u>54,652.60</u>	<u>10,673.64</u>	<u>56,947.92</u>	<u>12,038.83</u>	<u>5,689.81</u>	<u>652,933.25</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUE, EXPEDITURES AND CHANGES IN FUND BALANCES
CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Assessment Fund	911 Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Sheltercare Fund	BRO Fund	Ridge Road NID Fund	Walker Road Fund	Civil Fee Fund	Prosecuting Attorney Bad Check Fund	Recorder User Fees	Prosecuting Attorney Delinquent Tax Fund	Election Service Fund	Sheriffs Revolving Fund	Law Enforcement Restitution Fund
REVENUES:															
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other taxes	375,591.55	428,030.62	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-	-	-	4,273.81	-	-
Charges for Services	6,989.00	197,699.88	13,259.49	2,189.66	30,682.57	-	-	-	-	36,131.46	-	7,045.28	5,015.00	-	-
Grants	-	-	-	-	-	8,750.36	-	-	-	-	-	-	-	-	-
Reimbursements	179,721.51	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees, licenses and permits	-	-	-	-	-	-	-	1,287.78	50,000.00	-	49,627.75	-	-	25,710.00	42,247.71
Interest	5,892.58	2,704.94	32.54	42.68	836.94	-	-	43.05	199.59	266.48	3,576.46	10.41	694.29	289.92	222.25
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	394.98	-	-	-	-	-	-	-	-	63.60	-	-	-	-	5,897.50
Total Revenues	568,589.62	628,435.44	13,292.03	2,232.34	31,519.51	8,750.36	-	1,330.83	50,199.59	36,461.54	53,204.21	7,055.69	9,983.10	25,999.92	48,367.46
EXPENDITURES															
General government	584,047.93	-	-	3,327.05	47,253.00	-	-	-	-	40,924.20	90,652.33	6,621.82	3,782.33	-	64,323.55
Public Safety	-	977,523.61	13,117.44	-	-	-	-	-	49,407.44	-	-	-	-	13,792.00	-
Highways and roads	-	-	-	-	-	8,750.36	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal, interest and fiscal fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:															
Construction of roads and bridges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Future capital improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, equipment and buildings	-	82,248.50	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service															
Principal payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	584,047.93	1,059,772.11	13,117.44	3,327.05	47,253.00	8,750.36	-	-	49,407.44	40,924.20	90,652.33	6,621.82	3,782.33	13,792.00	64,323.55
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(15,458.31)	(431,336.67)	174.59	(1,094.71)	(15,733.49)	-	-	1,330.83	792.15	(4,462.66)	(37,448.12)	433.87	6,200.77	12,207.92	(15,956.09)
OTHER FINANCING SOURCES (USES):															
Transfers in	-	450,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	450,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(15,458.31)	18,663.33	174.59	(1,094.71)	(15,733.49)	-	-	1,330.83	792.15	(4,462.66)	(37,448.12)	433.87	6,200.77	12,207.92	(15,956.09)
FUND BALANCES - BEGINNING OF YEAR	48,850.75	21,318.94	306.30	2,088.43	37,764.43	912.32	-	43.62	4,316.82	10,059.95	130,140.93	506.10	23,189.77	7,920.18	15,965.87
FUND BALANCES - END OF YEAR	33,392.44	39,982.27	480.89	993.72	22,030.94	912.32	-	1,374.45	5,108.97	5,597.29	92,692.81	939.97	29,390.54	20,128.10	9.78

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUE, EXPEDITURES AND CHANGES IN FUND BALANCES
CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2007

	Wildoradoe Road Improvement Fund	Wetmier Estates NID Project Fund	Clarks Pointe NID Project	Tax Maintenance Fund	Boonslick Regional Planning Fund	Supervised Visitation Program	Circuit Clerk Interest Fund	Time Fee Payment Fund	Family Court Fund	Drug Court Fund	Law Library Fund	Springhaven NID District Fund	Orchardview Road Project NID Fund	Total
REVENUES:														
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	56,193.85	-	-	-	-	-	-	-	-	-	859,816.02
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	4,273.81
Charges for Services	-	-	-	-	-	-	-	-	-	-	30,749.08	-	-	329,761.42
Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	8,750.36
Reimbursements	7,910.06	29,404.52	25,834.45	-	148,265.00	-	-	-	-	10,000.00	-	475,271.26	113,666.00	990,072.80
Fees, licenses and permits	-	-	-	-	-	1,147.50	-	-	14,549.50	16,011.00	-	-	-	200,581.24
Interest	404.45	1,132.26	852.50	3,213.64	-	6.47	22,989.96	78.17	828.35	277.19	133.62	299.26	114.52	45,142.52
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	2,644.98	-	-	-	-	-	9,001.06
Total Revenues	8,314.51	30,536.78	26,686.95	59,407.49	148,265.00	1,153.97	22,989.96	2,723.15	15,377.85	26,288.19	30,882.70	475,570.52	113,780.52	2,447,399.23
EXPENDITURES														
General government	-	-	-	34,902.01	195,496.00	1,470.00	1,693.72	6.35	16,040.91	31,488.45	11,312.95	-	-	1,133,342.60
Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	1,053,840.49
Highways and roads	7,448.00	10,846.77	10,643.42	-	-	-	-	-	-	-	-	463,531.69	108,090.71	609,310.95
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal, interest and fiscal fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:														
Construction of roads and bridges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Future capital improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, equipment and buildings	-	-	-	-	-	-	3,016.02	-	-	-	1,956.14	-	-	87,220.66
Debt Service														
Principal payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	7,448.00	10,846.77	10,643.42	34,902.01	195,496.00	1,470.00	4,709.74	6.35	16,040.91	31,488.45	13,269.09	463,531.69	108,090.71	2,883,714.70
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	866.51	19,690.01	16,043.53	24,505.48	(47,231.00)	(316.03)	18,280.22	2,716.80	(663.06)	(5,200.26)	17,613.61	12,038.83	5,689.81	(436,315.47)
OTHER FINANCING SOURCES (USES):														
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-	-	450,000.00
Transfers out	-	-	-	(15,000.00)	-	-	-	-	-	-	-	-	-	(15,000.00)
Total Other Financing Sources (Uses)	-	-	-	(15,000.00)	-	-	-	-	-	-	-	-	-	435,000.00
NET CHANGE IN FUND BALANCES	866.51	19,690.01	16,043.53	9,505.48	(47,231.00)	(316.03)	18,280.22	2,716.80	(663.06)	(5,200.26)	17,613.61	12,038.83	5,689.81	(1,315.47)
FUND BALANCES - BEGINNING OF YEAR	10,579.76	14,720.30	4,019.46	123,400.30	47,231.00	13,935.38	22,966.02	3,488.22	55,315.66	15,873.90	39,334.31	-	-	654,248.72
FUND BALANCES - END OF YEAR	11,446.27	34,410.31	20,062.99	132,905.78	-	13,619.35	41,246.24	6,205.02	54,652.60	10,673.64	56,947.92	12,038.83	5,689.81	652,933.25

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET -CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2006

	Assessment Fund	911 Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Sheltercare Fund	BRO Fund	Ridge Road NID Fund	Walker Road Fund	Civil Fee Fund	Prosecuting Attorney Bad Check Fund	Recorder User Fees	Prosecuting Attorney Delinquent Tax Fund	Election Service Fund	Sheriffs Revolving Fund	Law Enforcement Restitution Fund
ASSETS															
Cash and Cash Equivalents	48,850.75	21,318.94	306.30	2,088.43	37,764.43	912.32	-	43.62	4,316.82	10,059.95	130,140.93	506.10	23,189.77	7,920.18	15,965.87
TOTAL ASSETS	<u>48,850.75</u>	<u>21,318.94</u>	<u>306.30</u>	<u>2,088.43</u>	<u>37,764.43</u>	<u>912.32</u>	<u>-</u>	<u>43.62</u>	<u>4,316.82</u>	<u>10,059.95</u>	<u>130,140.93</u>	<u>506.10</u>	<u>23,189.77</u>	<u>7,920.18</u>	<u>15,965.87</u>
LIABILITIES AND FUND BALANCES															
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	<u>48,850.75</u>	<u>21,318.94</u>	<u>306.30</u>	<u>2,088.43</u>	<u>37,764.43</u>	<u>912.32</u>	<u>-</u>	<u>43.62</u>	<u>4,316.82</u>	<u>10,059.95</u>	<u>130,140.93</u>	<u>506.10</u>	<u>23,189.77</u>	<u>7,920.18</u>	<u>15,965.87</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>48,850.75</u>	<u>21,318.94</u>	<u>306.30</u>	<u>2,088.43</u>	<u>37,764.43</u>	<u>912.32</u>	<u>-</u>	<u>43.62</u>	<u>4,316.82</u>	<u>10,059.95</u>	<u>130,140.93</u>	<u>506.10</u>	<u>23,189.77</u>	<u>7,920.18</u>	<u>15,965.87</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
COMBINING BALANCE SHEET -CASH BASIS
NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
DECEMBER 31, 2006

	Wildoradoe Road Improvement Fund	Wetmier Estates NID Project Fund	Clarks Pointe NID Project	Tax Maintenance Fund	Boonslick Regional Planning Fund	Supervised Visitation Program	Circuit Clerk Interest Fund	Time Fee Payment Fund	Family Court Fund	Drug Court Fund	Law Library Fund	Total
ASSETS												
Cash and Cash Equivalents	10,579.76	14,720.30	4,019.46	123,400.30	47,231.00	13,935.38	22,966.02	3,488.22	55,315.66	15,873.90	39,334.31	654,248.72
												-
TOTAL ASSETS	<u>10,579.76</u>	<u>14,720.30</u>	<u>4,019.46</u>	<u>123,400.30</u>	<u>47,231.00</u>	<u>13,935.38</u>	<u>22,966.02</u>	<u>3,488.22</u>	<u>55,315.66</u>	<u>15,873.90</u>	<u>39,334.31</u>	<u>654,248.72</u>
LIABILITIES AND FUND BALANCES												
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	10,579.76	14,720.30	4,019.46	123,400.30	47,231.00	13,935.38	22,966.02	3,488.22	55,315.66	15,873.90	39,334.31	654,248.72
TOTAL LIABILITIES AND FUND BALANCES	<u>10,579.76</u>	<u>14,720.30</u>	<u>4,019.46</u>	<u>123,400.30</u>	<u>47,231.00</u>	<u>13,935.38</u>	<u>22,966.02</u>	<u>3,488.22</u>	<u>55,315.66</u>	<u>15,873.90</u>	<u>39,334.31</u>	<u>654,248.72</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUE, EXPEDITURES AND CHANGES IN FUND BALANCES
CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2006

	Assessment Fund	911 Fund	Law Enforcement Training Fund	Prosecuting Attorney Training Fund	Sheltercare Fund	BRO Fund	Ridge Road NID Fund	Walker Road Fund	Civil Fee Fund	Prosecuting Attorney Bad Check Fund	Recorder User Fees	Prosecuting Attorney Delinquent Tax Fund	Election Service Fund	Sheriffs Revolving Fund	Law Enforcement Restitution Fund
REVENUES:															
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other taxes	352,871.28	377,197.07	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-	-	-	246,150.66	-	-
Charges for Services	10,349.00	169,244.91	15,030.57	2,506.68	30,964.99	-	-	-	49,029.12	37,245.14	-	4,739.06	-	-	-
Grants	-	-	-	-	-	20,165.50	-	-	-	-	-	-	-	-	47,458.35
Reimbursements	202,709.85	-	-	-	-	-	-	-	-	790.00	-	-	-	-	-
Fees, licenses and permits	-	-	-	-	-	-	-	14,733.50	-	-	54,439.00	-	-	6,800.00	-
Interest	6,930.45	2,802.28	82.28	72.43	1,988.71	-	-	638.27	328.51	174.82	2,555.54	11.99	1,231.45	130.27	437.98
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	344.97	-	-	-	-	-	-	-	-	5.00	-	95.00	-	-	-
Total Revenues	573,205.55	549,244.26	15,112.85	2,579.11	32,953.70	20,165.50	-	15,371.77	49,357.63	38,214.96	56,994.54	4,846.05	247,382.11	6,930.27	47,896.33
EXPENDITURES															
General government	563,470.14	-	-	1,755.00	27,818.78	-	-	-	-	31,297.88	53.41	4,498.06	253,881.88	-	-
Public Safety	-	953,897.86	17,127.07	-	-	-	-	-	60,510.37	-	-	-	-	12,685.24	48,534.72
Highways and roads	-	-	-	-	-	-	8,578.71	18,040.02	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal, interest and fiscal fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:															
Construction of roads and bridges	-	-	-	-	-	20,165.65	-	-	-	-	-	-	-	-	-
Future capital improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property, equipment and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service															
Principal payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	563,470.14	953,897.86	17,127.07	1,755.00	27,818.78	20,165.65	8,578.71	18,040.02	60,510.37	31,297.88	53.41	4,498.06	253,881.88	12,685.24	48,534.72
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,735.41	(404,653.60)	(2,014.22)	824.11	5,134.92	(0.15)	(8,578.71)	(2,668.25)	(11,152.74)	6,917.08	56,941.13	347.99	(6,499.77)	(5,754.97)	(638.39)
OTHER FINANCING SOURCES (USES):															
Transfers in	-	425,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	425,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	9,735.41	20,346.40	(2,014.22)	824.11	5,134.92	(0.15)	(8,578.71)	(2,668.25)	(11,152.74)	6,917.08	56,941.13	347.99	(6,499.77)	(5,754.97)	(638.39)
FUND BALANCES - BEGINNING OF YEAR	39,115.34	972.54	2,320.52	1,264.32	32,629.51	912.47	8,578.71	2,711.87	15,469.56	3,142.87	73,199.80	158.11	29,689.54	13,675.15	16,604.26
FUND BALANCES - END OF YEAR	48,850.75	21,318.94	306.30	2,088.43	37,764.43	912.32	-	43.62	4,316.82	10,059.95	130,140.93	506.10	23,189.77	7,920.18	15,965.87

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF REVENUE, EXPEDITURES AND CHANGES IN FUND BALANCES
CASH BASIS - NON-MAJOR GOVERNMENTAL FUNDS (SPECIAL REVENUE FUNDS)
FOR THE YEAR ENDED DECEMBER 31, 2006

	Wildoradoc Road Improvement Fund	Wetmier Estates NID Project Fund	Clarks Pointe NID Project	Tax Maintenance Fund	Boonslick Regional Planning Fund	Supervised Visitation Program	Circuit Clerk Interest Fund	Time Fee Payment Fund	Family Court Fund	Drug Court Fund	Law Library Fund	Total
REVENUES:												
Property taxes	-	-	-	-	-	-	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	47,381.16	-	-	-	-	-	-	-	777,449.51
Intergovernmental Revenue	-	-	-	-	-	-	-	-	-	-	-	246,150.66
Charges for Services	-	-	-	-	-	150.00	-	-	25,038.20	-	26,049.83	370,347.50
Grants	-	-	-	-	-	20,000.00	-	-	-	-	-	87,623.85
Reimbursements	12,716.49	17,344.42	81,326.79	-	84,100.00	-	-	-	-	-	3,885.00	402,872.55
Fees, licenses and permits	-	-	-	-	-	-	-	3,499.67	-	34,180.87	-	113,653.04
Interest	259.07	423.09	81.57	2,628.17	-	0.63	22,277.25	44.53	702.12	245.20	158.86	44,205.47
Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	444.97
Total Revenues	12,975.56	17,767.51	81,408.36	50,009.33	84,100.00	20,150.63	22,277.25	3,544.20	25,740.32	34,426.07	30,093.69	2,042,747.55
EXPENDITURES												
General government	-	-	-	16,416.36	79,556.00	-	13,560.82	-	15,205.00	-	22,836.47	1,030,349.80
Public Safety	-	-	-	-	-	-	-	2,520.00	-	26,006.12	-	1,121,281.38
Highways and roads	4,709.81	8,896.77	77,388.90	-	-	-	-	-	-	-	-	117,614.21
Health and welfare	-	-	-	-	-	6,215.25	-	-	-	-	-	6,215.25
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Principal, interest and fiscal fees	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay:												
Construction of roads and bridges	-	-	-	-	-	-	-	-	-	-	-	20,165.65
Future capital improvements	-	-	-	-	-	-	-	-	-	-	-	-
Property, equipment and buildings	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service												
Principal payment	-	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
Other Charges	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	4,709.81	8,896.77	77,388.90	16,416.36	79,556.00	6,215.25	13,560.82	2,520.00	15,205.00	26,006.12	22,836.47	2,295,626.29
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	8,265.75	8,870.74	4,019.46	33,592.97	4,544.00	13,935.38	8,716.43	1,024.20	10,535.32	8,419.95	7,257.22	(252,878.74)
OTHER FINANCING SOURCES (USES):												
Transfers in	-	-	-	-	-	-	-	-	-	-	-	425,000.00
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	425,000.00
NET CHANGE IN FUND BALANCES	8,265.75	8,870.74	4,019.46	33,592.97	4,544.00	13,935.38	8,716.43	1,024.20	10,535.32	8,419.95	7,257.22	172,121.26
FUND BALANCES - BEGINNING OF YEAR	2,314.01	5,849.56	-	89,807.33	42,687.00	-	14,249.59	2,464.02	44,780.34	7,453.95	32,077.09	482,127.46
FUND BALANCES - END OF YEAR	10,579.76	14,720.30	4,019.46	123,400.30	47,231.00	13,935.38	22,966.02	3,488.22	55,315.66	15,873.90	39,334.31	654,248.72

THE COUNTY OF LINCOLN
TROY MISSOURI
(the Primary Government)
COMBINING STATEMENTS OF FIDUCIARY NET ASSETS - CASH BASIS
DECEMBER 31, 2007

	Medical Insurance	Distribution Fund	Circuit Court Account	Prosecuting Attorney	Circuit Clerk JCV Account	Sheriff	Drainage Fund	Recorder	Family Dependency Treatment	Unclaimed Fees	Fines	Overplus Land Sales	Prosecuting Attorney Retirement	CERF	Cemetery	Investment	Special Election	Collectors Funds	Total
ASSETS																			
Cash and Cash Equivalents	95,506.80	5.00	521,324.39	9,326.93	4,440.07	629.07	(11.32)	43,190.38	7,713.94	9,188.82	218,223.50	56,519.50	472.82	30.48	6,798.43	17,130.71	519.65	27,565,431.71	28,556,440.88
TOTAL ASSETS	95,506.80	5.00	521,324.39	9,326.93	4,440.07	629.07	(11.32)	43,190.38	7,713.94	9,188.82	218,223.50	56,519.50	472.82	30.48	6,798.43	17,130.71	519.65	27,565,431.71	28,556,440.88
LIABILITIES AND FUND BALANCES																			
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	95,506.80	5.00	521,324.39	9,326.93	4,440.07	629.07	(11.32)	43,190.38	7,713.94	9,188.82	218,223.50	56,519.50	472.82	30.48	6,798.43	17,130.71	519.65	27,565,431.71	28,556,440.88
TOTAL LIABILITIES AND FUND BALANCES	95,506.80	5.00	521,324.39	9,326.93	4,440.07	629.07	(11.32)	43,190.38	7,713.94	9,188.82	218,223.50	56,519.50	472.82	30.48	6,798.43	17,130.71	519.65	27,565,431.71	28,556,440.88

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
COMBINING STATEMENT OF FIDUCIARY NET ASSETS -CASH BASIS
DECEMBER 31, 2006

	Medical Insurance	Distribution Fund	Circuit Court Account	Prosecuting Attorney	Circuit Clerk JCV Account	Sheriff	Drainage Fund	Recorder	Family Dependency Treatment	Unclaimed Fees	Fines	Overplus Land Sales	Prosecuting Attorney Retirement	CERF	Cemetery	Investment	Special Election	Collectors Funds	Total
ASSETS																			
Cash and Cash Equivalents	7,818.37	5.00	576,803.32	9,426.72	4,363.98	477.87	5.02	48,209.88	6,178.88	10,688.64	255,536.53	55,897.99	1,094.05	10,768.27	6,617.33	20,638.49	613.60	26,273,512.16	27,288,656.10
TOTAL ASSETS	7,818.37	5.00	576,803.32	9,426.72	4,363.98	477.87	5.02	48,209.88	6,178.88	10,688.64	255,536.53	55,897.99	1,094.05	10,768.27	6,617.33	20,638.49	613.60	26,273,512.16	27,288,656.10
LIABILITIES AND FUND BALANCES																			
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UNRESERVED FUND BALANCES	7,818.37	5.00	576,803.32	9,426.72	4,363.98	477.87	5.02	48,209.88	6,178.88	10,688.64	255,536.53	55,897.99	1,094.05	10,768.27	6,617.33	20,638.49	613.60	26,273,512.16	27,288,656.10
TOTAL LIABILITIES AND FUND BALANCES	7,818.37	5.00	576,803.32	9,426.72	4,363.98	477.87	5.02	48,209.88	6,178.88	10,688.64	255,536.53	55,897.99	1,094.05	10,768.27	6,617.33	20,638.49	613.60	26,273,512.16	27,288,656.10

STATE COMPLIANCE SECTION

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2007 & 2006

SCHEDULE OF STATE FINDINGS:

- I.** There were no state findings.

FEDERAL COMPLIANCE SECTION



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the County Commission
The County of Lincoln, Missouri

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of The County of Lincoln, (the Primary Government), as of and for the years ended December 31, 2007 and December 31, 2006, which collectively comprise the basic financial statements of the County's primary government, and have issued our cash basis report thereon dated August 13, 2008.

Our report which was modified because the Primary Government prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

We did not express an opinion on supplementary information required by the Governmental Accounting Standards Board. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Primary Government's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Internal Control Over Financial Reporting (concluded)

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies 06/07-01, 06/07-02 and 07-03 described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. Additionally, we noted certain matters that we reported to management of the County in a separate report dated August 13, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Primary Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not to be and should not be used by anyone other than those specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

August 13, 2008

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS
DECEMBER 31, 2007 & 2006

I. Financial Statement Findings

- 06/07-01** **Criteria:** Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.
- Condition:** Documentation of the County's internal controls has not been prepared.
- Effect:** The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.
- Cause:** Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.
- Recommendation:** We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
- Management's Response:** The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.
- 06/07-02** **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.
- Condition:** During our audit, we noted there is no formal fraud risk assessment in place.
- Effect:** Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.
- Cause:** Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF LINCOLN, MISSOURI
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS
DECEMBER 31, 2007 & 2006

I. Financial Statement Findings (Concluded)

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

07-03

Criteria: For the year ended December 31, 2007 the ending fund balance in the Special Road and Bridge fund was negative.

Condition: The Special Road and Bridge fund was negative.

Effect: The fund will show as a negative in the financial statements.

Cause: Due to the extensive expenditures for roads and bridges the fund went negative.

Recommendation: We recommend that the County transfers money from the General Revenue Fund to cover the negative balance in the Special Road and Bridge fund.

Management's Response: The County Commission writes a letter to the Treasurer discussing the money loaned to the Special Road and Bridge from the General fund and that the money will be paid back when funds become available.

II. Follow-Up Prior Year Financial Statement Findings

There were no prior year findings related to Government Auditing Standards for an audit of financial statements.

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
SINGLE AUDIT REPORT
DECEMBER 31, 2007 & 2006

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)

TABLE OF CONTENTS

	PAGE
Report On Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1-2
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.....	3-5
Schedule of Expenditures of Federal Awards.....	6
Notes to Schedule of Expenditures of Federal Awards.....	7
Schedule of Findings and Questioned Costs	8-11



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the County Commission
The County of Lincoln, Missouri

We have audited the financial statements of the governmental activities and each major fund, and the aggregate remaining fund information of the County of Lincoln, Missouri, as of and for the years ended December 31, 2007 and December 31, 2006, which collectively comprise the Primary Government's basic financial statements, and have issued our cash basis report thereon dated August 13, 2008. Our report was modified because the County prepares its financial statements on the cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We did not express an opinion on supplementary information required by the Governmental Accounting Standards Board. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting

principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We considered the deficiencies FS 06/07-01, FS 06/07-02 and FS 07-03, described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. Additionally, we noted certain matters that we reported to management of the Primary Government in a separate report dated August 13, 2008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County in a separate letter dated August 13, 2008. This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, other audit agencies and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

August 13, 2008



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133 AND THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the County Commission
The County of Lincoln, Troy Missouri

Compliance

We have audited the compliance of Lincoln County, (the Primary Government), State of Missouri, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2007 and December 31, 2006. The Primary Government major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Primary Government management. Our responsibility is to express an opinion on the Primary Government's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Primary Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Primary Government's compliance with those requirements.

In our opinion, the Primary Government complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2006.

Internal Control Over Compliance

The management of the Primary Government is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Primary Government's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Primary Government's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Primary Government's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Primary Government as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated August 13, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Primary Government's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the County Commission, County Officeholders, Missouri State Auditor, the Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.

August 13, 2008

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2007 AND 2006

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	12/31/2007 Federal Expenditures	12/31/2006 Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
	Passed through state:			
14.228	Department of Economic Development - Community Development Block Grants/State's	2002PF32		2,060
	Community Development Block Grants/State's	2003PF14	28,711	
	Community Development Block Grants/State's	2003PF10	1,300	
U.S. DEPARTMENT OF JUSTICE				
	Direct programs:			
16.710	Public Safety Partnership and Community Policing Grants	2003UMWX0179		146,803
	Public Safety Partnership and Community Policing Grants	2006CKWX0580	23,150	
	Passed through:			
	State Department of Public Safety -			
16.523	Juvenile Accountability Incentive Block Grants	2006EUDL32	1,274	
16.579	Byrne Formula Grant Program	2006OJBX0157		17,087
	Edward Byrne Memorial Formula Grant Program	2005DJBX0767	1,900	
16.588	Violence Against Women Formula Grants	2005VAWA0010		12,500
	Cape Girardeau County -			
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	2006DDBX0204 2005DJB X0767	44,247	4,344
	Missouri Sheriffs' Association -			
16	Domestic Cannabis Eradication/Suppression Program	SD-2002-08		45,162
	Secure our Schools Grant	2006CKWX0580	11,922	
U. S. DEPARTMENT OF TRANSPORTATION				
	Passed through state:			
20.205	Highway and Transportation Commission - Highway Planning and Construction	BRO -057(11)	8,750	15,649
ELECTION ASSISTANCE COMMISSION				
	Passed through the Office of Secretary of State -			
90.401	Help America Vote Act Requirements Payments	SC 231 57EL 0000	3,280	245,200
U. S. DEPARTMENT OF HOMELAND SECURITY				
	Passed through State Department of Public Safety:			
97.004	State Domestic Preparedness Equipment Support Program	2003-MU-T3-0003		26,059
97.036	Public Assistance Grants	FEMA 1676	28,329	
97.042	Emergency Management Performance Grants		12,673	
97.051	State and Local All Hazards Emergency Operations			20,244
Total Expenditures of Federal Awards			<u>\$ 165,536</u>	<u>\$ 535,108</u>

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2007 & 2006

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2007 & 2006

SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unqualified Modified Cash Basis
2. Internal control over financial reporting:
 - a. Any material weakness(es) identified?

2007	Yes	<u>X</u>	No
2006	Yes	<u>X</u>	No
 - b. Any significant deficiencies identified that are not considered to be material weaknesses?

2007	<u>X</u>	Yes	None Reported
2006	<u>X</u>	Yes	None Reported
3. Any noncompliance material to financial statements noted?

2007	Yes	<u>X</u>	No
2006	Yes	<u>X</u>	No

B. Federal Awards

1. Internal control over major programs:

Any material weakness(es) identified?	2007	Yes	<u>X</u>	No
	2006	Yes	<u>X</u>	No
2. Any significant deficiencies identified that are not considered to be material weaknesses?

2007	Yes	<u>X</u>	No
2006	Yes	<u>X</u>	No
3. Type of auditor's report issued on compliance for major programs:

2007	Unqualified
2006	Unqualified
4. Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of Circular A-133?

2007	Yes	<u>X</u>	No
2006	Yes	<u>X</u>	No
5. Identification of major programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2006	16.710	Public Safety Partnership and Community Policing Grants
2006	90.401	Help America Vote Act Requirements Payments
2007	16.580	Edward Byrne Memorial State and Local Law

6. Dollar threshold used to distinguish between type A and type B programs:
\$ 300,000
7. Auditee qualified as low-risk auditee?

2007	Yes	<u>X</u>	No
2006	Yes	<u>X</u>	No

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2007 & 2006

I. FINANCIAL STATEMENT FINDINGS

FS 06/07-01 **Criteria:** Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will consider the auditors' recommendation.

FS 06/07-02 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2007 & 2006

I. FINANCIAL STATEMENT FINDINGS - (concluded)

FS 06/07-02

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County will consider the auditors' recommendation.

FS 07-03

Criteria: For the year ended December 31, 2007 the ending fund balance in the Special Road and Bridge fund was negative.

Condition: The Special Road and Bridge fund was negative.

Effect: The fund will show as a negative in the financial statements.

Cause: Due to the extensive expenditures for roads and bridges the fund went negative.

Recommendation: We recommend that the County transfers money from the General Revenue Fund to cover the negative balance in the Special Road and Bridge fund.

Management's Response: The County Commission writes a letter to the Treasurer discussing the money loaned to the Special Road and Bridge from the General fund and that the money will be paid back when funds become available.

II. FOLLOW-UP PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

There were no prior year findings and questioned costs related to Government Auditing Standards for an audit of financial statements.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006 & 2007

There were no findings and questioned costs related to Federal Awards in accordance with Section .510(1) of OMB Circular A-133.

THE COUNTY OF LINCOLN
TROY, MISSOURI
(the Primary Government)
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEARS ENDED DECEMBER 31, 2007 & 2006

IV. FOLLOW-UP PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS IN ACCORDANCE WITH OMB CIRCULAR A-133

FINDING NUMBER	TYPE OF FINDING / QUESTIONE D COSTS	FINDINGS AND RECOMMENDATIONS
SA 04-05-1	Other Information: Significant Deficiency	<u>Resolved:</u> The county does not have adequate procedures in place to track Federal awards for the preparation of the Schedule of Expenditures of Federal Awards (SEFA)



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

August 13, 2008

To the County Commissioners
Lincoln County of Missouri

In planning and performing our audit of the basic financial statements of the Lincoln County of Missouri as of and for the years ended December 31, 2007 and 2006, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Changes Impacting Governmental Organizations
- III. Information Required by Professional Standards

County's management has provided written responses to the comments in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, board of trustees, and others within the County, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Daniel Jones & Associates

Daniel Jones & Associates
Certified Public Accountants

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

06/07-01

Criteria: Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters in an Audit*, which is effective for period ending on or after December 15, 2006, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: The new SAS 112 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Due to the short time frame for the implementation of the new SAS requirements, the County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County is willing to review this recommendation with the state auditor and the contract auditor to further understand the COSO internal controls. The county was not aware of new SAS requirements and questions if county governments of our size are required to comply with SAS standards.

06/07-02

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Management Response: The County is willing to review this recommendation with the state auditor and the contract auditor to determine various risk assessments.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

07-03

Criteria: For the year ended December 31, 2007 the ending fund balance in the Special Road and Bridge fund was negative.

Condition: The Special Road and Bridge fund was negative.

Effect: The fund will show as a negative in the financial statements.

Cause: Due to the extensive expenditures for roads and bridges the fund went negative.

Recommendation: We recommend that the County transfers money from the General Revenue Fund to cover the negative balance in the Special Road and Bridge fund.

Management's Response: The County Commission writes a letter to the Treasurer discussing the money loaned to the Special Road and Bridge from the General fund and that the money will be paid back when funds become available.

II. CHANGES IMPACTING GOVERNMENTAL ORGANIZATIONS

- a. SAS 104 through 111, *Risk Assessment Standards*, are effective for fiscal periods beginning on or after December 15, 2006. These standards increase the auditors' responsibility and requirements, including a more extensive understanding of the organization and documentation of audit procedures.
- b. SAS 112, *Communication of Internal Control Matters*, is effective for fiscal periods ending on or after December 15, 2006. These standards change the definition of internal control deficiencies.
- c. SAS 114, *The Auditor's Communication with Those Charged with Governance*, is effective for fiscal periods beginning on or after December 15, 2006. This standard increases the auditors' responsibility to communicate information about audit planning, the client's accounting practices, and other significant matters.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated August 13, 2008, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Lincoln County of Missouri. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Lincoln County of Missouri's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

by the Lincoln County of Missouri are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ended December 31, 2007 and 2006. We noted no transactions entered into by the governmental unit during the years for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 21, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.